Human Events *A Weekly Analysis for the American Citizen*
Editorial Office 1710 Rhode Island Ave., N. W., WASHINGTON 6, D. C. *Telephone* NATIONAL 2066
VOL. VI, NO. 8, *Issue Number* 265, FEBRUARY 23, 1949 ★ *Editors:* FELIX MORLEY & FRANK C. HANIGHEN

FEB 28 1949

THE FARMER AND THE PLANNED ECONOMY

by James A. McConnell

Out on the farms, we hear the echoes of a rumbling debate in Congress. One group of legislators is for price supports at straight 90 per cent of parity. Another is for a flexible system of price supports at a lower range. All of this is sharpened by the recent breaks in the commodity markets. But the real question is far broader than merely the size or range of price support for a given crop.

After World War I, beginning in 1920, the bottom fell out of prices and the farmers of this country slid down into a nightmare of distress and bankruptcy. Nor was that the first such experience. They had been through it three times before, each time following a great war. Deflation invariably hits the farmer first and hardest.

When World War II broke out, recollection of the last post-war agricultural trouble was fresh in mind. So when the Government again called upon the farmer for all-out production, Congress took pains to assure him of stop-loss price supports which should be in force for at least two years after the war.

Moreover, the Government arbitrarily held food prices down, during the war, at the same time subsidizing consumers. So the wartime origin of price supports seemed to have double-barrelled justification. Then, too, people say that we can't afford to jeopardize the national food supply by allowing unduly low prices to discourage production.

By last year the policy had gone beyond a mere matter of wartime or post-war insurance. Farmers looked about the world and noted the system of subsidies building up on all sides. The really efficient producers saw themselves being penalized by economic arrangements that put a premium on inefficiency and on curtailed production. They had seen labor and business and industry beginning to orient themselves within a kind of socialistic system -- large groups even voting, time after time, for more of the same. And now the mass of farmers, too, had enjoyed a real taste of manna from Washington. It tasted as good to them as to others.

To make a long story short, the farmer -- for all his individuality -- began to get thoroughly entangled in the system of bureaucratic dispensation, whereby the Government extracts wealth from the people and redistributes it to producing groups in accordance with plans and formulae of its own devising. It is the Managed Economy, so called, but it is actually modern camouflage for a despotic system as old as time.

Copyright 1949 by HUMAN EVENTS, INC.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It is only fair to note that the farmer's part in this picture is not entirely of his own choosing. He is now in a small minority.

There are some five and one-half million farm operators, all told, in this country today, against sixteen million labor union members, for instance. There are some two million heavily-producing, efficiently-operated farms which produce about 85 per cent of the marketable food of the nation. There are some three and a half million other farms. So the producers of food for market are really a minority within a minority. Labor and industry and other large groups rule the roost and the farmer figures that he has to come along, if he is to survive.

But the very fact of his minority position gives the farmer something to ponder, as he sees himself being drawn into a socialistic system. And the American farmer is doing considerable thinking right now. He is slowly discovering certain facts about the controlled economy which rightly make him dubious, notwithstanding the temporary purse-appeal of these handouts from Washington.

The farmer has discovered, among other things, that governmentally planned economy is always the enemy of the efficient producers. Its efforts, under pressure of the greater numbers, usually penalize the efficient; are usually exerted in behalf of the less efficient. The dictators of the managed economy would certainly gauge their decisions with an eye to the three and a half million rather than the two million.

The managed economy is a system governed by political pressures rather than by the rational influences of free markets. Government officials are responsive to pressure groups. Their decisions must be trimmed at all times to please the largest group or the heaviest pressures. With his farm business at the mercy of pressure-group politicians, the efficient farmer finds himself stripped of the rightful advantage given by skill and good management. One recalls that the Russian despots liquidated their best farmers, and started over.

By this same token the bureaucratic system itself is inefficient. The official, or the planning committee, can never act with as good judgment as comes from the composite decision of millions of farmers, expressed through free markets. There, mistakes of judgment constantly occur, but are almost instantly corrected. When the bureaucrat makes a mistake it may take months and an overwhelming protest sentiment to get it corrected. The controlled market is often deliberately disadvantageous to the producer, because consumers have more votes.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Eventually it becomes necessary for the bureaucrats to employ coercion against producers. In every piece of legislation brought forward to implement a system of this kind, the coercive powers of government are written prominently into it. The Police State is never more than one jump behind the "planned" economy.

III

The managed or controlled economy is the enemy, not only of all independent production, but also of all private handling of either crops or supplies by the individual farmer. If the farmer can dispose of his own products as he sees fit, or can buy his own supplies where and as he chooses, the principle of central control cannot be maintained. So the bureaucrats take the farmer's product, do all the storing and handling of it and allocate machinery, feed, fertilizer, and supplies. That's substantially the way it works today in democratic England.

The moment central control is substituted for the decisions of the free market, regulation of production becomes a clumsy alternation of stop and go. One moment the bureaucrat uses the taxing power to offer a subsidy to stimulate production. The next moment he is employing the coercive powers of government to put the brakes on production. Either way the people foot the bill.

There simply is no substitute for free prices as the efficient regulator of production and consumption. Rising prices automatically stimulate production and curtail consumption. When prices fall, the effect is just the opposite. A great function of the price mechanism is to guide production and consumption. Subsidies destroy this function. Then the "planners" step in and substitute their own judgment, using more subsidies and coercion to carry out their will. Meanwhile, the real equating of supply and demand goes on in black markets. In every regimented economy the black market is standard equipment.

Can American farmers, on purely economic grounds, afford a system that is governed, in the last analysis, by pressure groups? Agriculture has only 19 per cent of the population now and its relative position is declining. Great industrial and labor groups are rapidly becoming dominant. Already the farmer is in danger of a permanently tighter squeeze on the costs side than ever before. In free markets he can fairly well protect himself, in normal times.

But under a government-controlled system, the farmer is bound, by reason of his minority status, to get the short end of the stick.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

We who live in the Northeast are aware that this minority position becomes doubly precarious for farmers in our region. We are only a segment of a minority. Northeastern farmers do have the great advantage of nearness to big markets. In free and open competition that fact alone is a strong bulwark. But with a government-controlled agriculture, the location advantage of Northeastern farms could quickly be wiped out by a readjustment of freight rates and other differentials. And by the same means, other regions might just as easily find themselves injured.

But the stakes, East or West, North or South, are higher than the dollar sign. The American farmer for over a century and a half has been one of the truly free men of the world, and it is as such that he has become the most efficient producer of food and fiber in all history.

Our farm tradition is one of independence, of individualism, of unshackled personal and intellectual vigor. This is not a heritage easily come by, nor one to be lightly tossed away under the inspiration of some smart partisan of totalitarian government.

A wonderful measure of individual liberty and of the personal dignity that goes with it have been attained in this country. They represent the fruits of centuries of struggle by our forefathers against despotic systems. We would do well to think long and hard before we yield an inch of this hard-won achievement.

This is the social stake. The moment we allow government to put our economic system under full bureaucratic control, that moment we turn back the clock of progress within our Society. The drift toward Statism is an easy road, a pleasant one in the early stages of public handouts and promises. And as surely as we follow it, our children's children will be serfs of the State.

Farmers can tolerate minor distortions of the free economy and live with them. Moderate price supports which operate as stop-loss insurance during abnormal readjustment periods -- as after a great war-- may even steady the ship and be helpful. But if regimentation were fastened upon us as a permanent system it would be intolerable. If we are to have price supports, they should be flexible and moderate. They must not be made the excuse for a system of controlled production, which is the stepping-stone to despotism.

Mr. McConnell, a farmer of upstate New York, is General Manager of the Co-operative Grange-League-Federation, Inc.

Quotation up to a paragraph is permitted with credit to HUMAN EVENTS. For reproduction or more extensive quotation address requests to HUMAN EVENTS, 1710 Rhode Island Avenue, N. W., Washington 6, D. C. Trial subscription, three months for $3. Six months, $5.50. One year, $10. Two years, $18. Domestic airmail (including APO and FPO) and foreign (regular mail) one year, $11. Foreign airmail rates on request. Please remit in U.S.A. DOLLARS. Allow two weeks for new subscriptions or change of address to become effective.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Not Merely Gossip *A Supplement to* Human Events Vol. VI, No. 8

By Frank C. Hanighen February 23, 1949

CAPITOL HILL: A time-bomb was planted in the soil of Capitol Hill last week. Chairman Spence of the House Banking and Currency Committee introduced on February 16 a bill which would give the President peacetime controls over industry as well as Government power to go into the steel business. "This is it" -- as the saying goes. Little fanfare accompanied the unveiling of this measure, but the customary propagandists may well be alerted later, when propaganda is needed.

It is especially noted that the bill was drafted by a Cabinet committee headed by Secretary of Agriculture Charles F. Brannan. Mr. Brannan has not, at least up until now, been generally regarded as a fiery Leftist and it may be that is why he has been chosen to carry the ball. Observers, however, now believe that behind this and other Leftist proposals is a team composed of the CIO, James H. Patton of the Left Wing Farmers' Union, Undersecretary of Interior Oscar Chapman and Brannan. Some bureaucratic geneology has been examined by suspicious souls. Brannan, it is recalled, worked his way up in the Farm Security Administration and there received much education from former FSA Administrator "Beany" Baldwin, who reached his apotheosis as campaign manager for Henry Wallace last year. Brannan is very friendly with Leftist Chapman.

At the present time, it looks as if Mr. Truman is being guided by the Left Wing far more than was anticipated even by the gloomiest conservatives. The latter, of course, take consolation from the fact that Senator George and Congressman Doughton are on the Hill to block Left Wing legislation; and it is probable that the Spence bill will fail to pass both Houses. But meanwhile many measures having the same philosophy may slip through before adjournment next summer. For instance, the farm warehousing bill, sponsored last week by Secretary Brannan, is believed to have some chance of passage. If it becomes a law, it would put the Government in the warehousing business, and would serve notice to private operators of grain storage facilities to get out while the getting is good. The outcome would be a Government monopoly in this field.

* * * * *

PEACE NEWS: There is a most unfortunate newspaper practice of playing up war news and playing down peace news. We do not believe, as do pacifists, that this is the result of a sinister militaristic plot, or of War Department propaganda. The way of a news editor is hard, and he often has to make snap decisions under the pressure of a large volume of news and of a race for the deadline. The practice springs partly from city-room fog, and partly from the influence of a sort of perverted "crime news" psychology. One instance came to mind this week. Several months ago the press gave prominence on the front pages to a little Nicaraguan invasion of Costa Rica. The other American hemisphere nations stepped in, after Costa Rica invoked the Rio defense pact, and sent an investigating commission to the place of hostilities. Their labors bore fruit two days ago when Costa Rica and Nicaragua signed a peace pact pledging peaceful settlement of any disputes. This announcement was news, and enheartening news at that. Yet it was buried on the inside pages of all the newspapers we saw the next morning. It may be objected that the peace pact is not of great importance in the whole world picture. But neither were the original hostilities in Costa Rica. It is about time that editors include in their code of news evaluation the provision that news of peace developments deserves at least as much prominence as news of war developments.

* * * * *

Copyright 1949 by Human Events, Inc.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

RELIGIOUS PERSECUTION: Soviet persecution of religion moves down the Danube to Bulgaria, where this time it is Protestant clergymen who are in the dock. A gentleman of the Methodist faith writes us, pointing out how coals are descending on some clerical heads. He recalls that Methodist Bishop Francis McConnell signed a declaration (in company with Earl Browder) praising the character and achievements of one Georgi Dimitrov, now dictator of Bulgaria and the persecutor of the Bulgarian Methodists as well as other Protestants. The declaration appeared in the New York Times on December 22, 1943. Since that date Bishop McConnell's name has appeared on other declarations and committees which haven't exactly taken a bigoted attitude towards the Soviets and their ways. Our Methodist correspondent, while sympathizing with the Catholics in their grief over the persecution of Cardinal Mindszenty, hastens to remind us that Catholic politicians in the U. S. have often in the past (he mentions particularly the 1944 campaign) accepted the support of Communists to get elected.

* * * * *

EZRA POUND: Apropos of the Gieseking and Furtwaengler cases, we wish that musical and other cultural societies had more intestinal fortitude. For those who do possess this virtue have profited. Several years ago, we heard of a musical society which ran into adverse group pressure in choosing a new conductor; the directors, however, stuck to their guns in support of a man opposed by a pressure group, and the opposition collapsed. And, during the past week, there was the sterling example of Mr. Luther Evans, Librarian of Congress, and his Poetry Fellows -- in the Ezra Pound case. The Fellows and Mr. Evans wanted to give the prize to Mr. Pound, who was accused of treason, was indicted and then sent to a mental institution where he now is incarcerated. They were warned of dire results, of fearsome criticism from such great cultural leaders as Walter Winchell and Drew Pearson. Some of the Fellows even began to have cold feet. But finally they decided to grant the laurel to Pound -- and when the newspaper reactions were all in, it was clear that there was no important opposition. One thing the Fellows accomplished in this matter was the formulation of a principle which might well guide other cultural organizations. "To permit", announced the Fellows, "other considerations than that of poetic achievement to sway a decision would destroy the significance of the award and would in principle deny the validity of the objective perception of value on which any civilized Society must rest."

* * * * *

IRELAND: Foreign Minister McBride of Eire has declared that the Partition dispute between his Government and the Northern Ireland Government is as much an "international problem as Palestine". And other dispatches from Ireland talk of a propaganda campaign to be launched in the U. S. for ending partition of Ireland. We hope Mr. McBride will not follow in the footsteps of Mr. Ben-Gurion and that there will be no Irish-American counterpart of Rabbi Abba Hillel Silver. The maneuverings of the Zionists hardly improved the standards of American domestic politics nor enhanced our prestige abroad. We don't think the wild talk from Dublin will prove any more than talk, but if it should the repercussions might be even more severe than those of Zionism.

Of course, Mr. McBride has a point, and his Government's concern over conditions in the six counties in northeastern Ireland are not unjustified. During several reporting trips to Belfast in the Thirties, we discovered that the Catholic minority in that area had some serious grievances. In Eire, the mass of the people took little interest in the political football of Partition, but were very angry about the disabilities suffered by Catholics under the Northern Ireland Government. This is a fact which the inadequate press coverage from Ireland has obscured.

The local picture in Belfast, however, is beside the point. Mr. McBride has performed a service if he has reminded us that Palestine has set a precedent. If American politicians went about beating their breasts in favor of Zionist expansion-

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ism, why shouldn't they do so about an area which Dublin politicians consider an irredenta? And why shouldn't ambitious souls in Tammany clubhouses find it profitable to harness Dublin's aspirations in northern Ireland to Tel Aviv's notions about Transjordan and the Negev? And, since political bosoms are ample, why shouldn't the powerful Polish-American group one of these days receive fair words about a new and greater Poland? And so forth -- for the potential hyphenate groups are numerous. Yes, the excessive tenderness for Zionist aspirations has set a precedent calculated to chill the marrow not only of the drudges who try to shape foreign policy in the State Department, but for any American who wants a foreign policy based on American interests.

* * * * *

DISMANTLING: There is a disarming candor about trade journals which we have always liked. With charming bluntness, they report matters shunned by the mealy-mouthed daily press. For instance, the press has stonily refrained from describing the veritable rape of German industry by Britain, France and other industial powers. Not so the British Jeweler and Metalworker, a copy of which fell into our hands not long ago. That forthright trade publication reported verbatim the proceedings of the British Clock and Watchmakers Organization which made no bones about how it felt concerning the demolition of a competitor:

"Lengthy negotiations and discussions have been conducted by Mr. Barrett [Chairman of the Export Group] over the past three years with a view to fixing the future level of the German Horological industry below the 72 per cent of the 1938 level which had been agreed by the Allied Control Commission. It is pleasing to be able to record that the final result has been to reach agreement that the German industry is to be reduced to 50 per cent of the 1938 level [Emphasis ours]. This result is what we wanted to achieve; and although there can be no doubt that the Germans will ultimately re-develop their horological industry on a strong basis the present position means that the British industry has been given a certain amount of breathing space in order to become organized on a sound basis. The thanks of the Association have already been conveyed to Mr. Barrett for his patient and untiring work in achieving this result. Following upon this, the contents of a number of German factories are to be thrown up for reparations, and Mr. W. W. Cope has recently made an inspection of these factories, as also of certain other machines which are available to this country."

* * * * *

ELEANOR ROOSEVELT: We can't resist presenting to our readers the following gem from Eleanor Roosevelt's column "My Day". "On the whole", twittered Eleanor, "many of the things the Soviets are doing today tend to hurt them in the opinion of the world. A persistent rumor [!!] that they keep a number of war prisoners and political prisoners in virtual bondage and working under systems of forced labor could so easily be cleared up if they would just take the suggestion of Willard L. Thorp, assistant secretary of state." (Mr. Thorp proposed that the ILO send investigators into the U. S. S. R. to check up on the Soviet denial that they had slave labor camps.) Fancy that!

* * * * *

ERRATUM: A particularly bad typographical error in last week's Not Merely Gossip item headed SPY REPORT destroyed the point of that story. The word "altered" was incorrectly printed "alerted". Therefore the concluding sentence of the story should read: "Is the dizzy turn of world events subtly altering the public's former approval of the Roosevelt anti-Axis and pro-Soviet policy?"

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Book Events

The Embers Still Burn, by Ira A. Hirschmann. New York: Simon and Schuster. $3.00.
Reviewed by William Henry Chamberlin.

This book is the nearest thing to an expression of sheer hysteria that has appeared in print since Henry Morgenthau's Germany Is Our Problem, which sets down in black and white the incredible Morgenthau Plan for sealing up all the mines in Germany and reducing that overcrowded and thickly-settled country to an agricultural and pastoral economy. A fair summary of the ideas which Mr. Hirschmann tries to sell American readers runs as follows:

All Germans and Austrians, with few if any exceptions, are unregenerate Nazis and scoundrels. It is highly reprehensible to take any steps to reconstitute the German economy. Communism, usually referred to euphemistically as a "new social order" or "a people's movement" is blameless, while any government which wishes to resist Communism is ipso facto Fascist and reactionary.

America is solely to blame for the cold war. Listen to this outburst, which sounds like a cracked record from Henry Wallace's late crusade: "We have turned away from the path of peace, from Big Three Unity; we have spurned collective security; we have determined on unilateral action and have by-passed the United Nations. . . . We are supporting civil wars throughout the world."

That there has been anything to criticize in Soviet behavior on the international scene is nowhere suggested. And Mr. Hirschmann consistently maintains the viewpoint that the satellite regimes of Eastern Europe, imposed on helpless peoples by fraud and force, are upstanding, forward looking, progressive and representative regimes. Finally, all DP's, except Jews, are represented as suspect characters because of their unwillingness to return to life under Communist rule.

The author's highly emotional approach to world events has extremely little factual ballast. He refers to Alexeev, head of the UNRRA mission to Czechoslovakia as "the only Soviet citizen who headed an UNRRA mission". The UNRRA mission to Yugoslavia, which poured millions into that country to bolster Tito's regime, was also Russian. Silesia is described as having been "seized and made part of Germany by Frederick the Great in the first partition of Poland". Actually Silesia had been part of the German Empire since the Fourteenth Century.

The book contains an abusive attack on Arthur Bliss Lane, one of our ablest and most highly principled career diplomats. One of Lane's "crimes", in Mr. Hirschmann's eyes, is that "he preferred Cardinal Hlond to Berman", the latter one of the Moscow-trained Communist bosses of the Polish satellite State.

Although few of the facts and almost none of the opinions in this work could be accepted without challenge, it has a certain importance. For Mr. Hirschmann was one of LaGuardia's trusted lieutenants in UNRRA. He was a special inspector-general for that organization. It is easy to understand how he and others who thought like him gave to some of the operations of that organization a pro-Soviet bias, and one distinctly hostile to Poles, Yugoslavs, Letts, Lithuanians, Estonians and others who were refugees from Soviet and Soviet satellite rule.

There is interesting documentation on the high pressure methods which some UNRRA aides used to push wavering East Europeans back into their countries of origin. It would be interesting, if it were possible, to check up on the fate of these people in the purges which are routine procedure in the "new democracies". Unintentionally this book shows what was wrong with UNRRA psychology and methods, just as a careful reading of the Morgenthau Plan and its implications show the fearful handicap under which American military administrators were obliged to work in Germany in the first years of the occupation.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED